

Introduced: 1/11/82
Referred: Transportation and
Finance

1 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

2 HOUSE BILL NO. 651

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to ferries and ferry terminals and
7 establishing the Alaska Marine Highway Authority."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. PURPOSE. The purpose of this Act is to establish an
10 authority for the operation, management, and planning and construction of
11 facilities for the marine highway system that is independent of the state
12 government. The authority shall be the exclusive state agency directly
13 associated with the operation, management, planning and construction of
14 facilities for the marine highway system.

15 * Sec. 2. AS 19 is amended by adding a new chapter to read:

16 CHAPTER 70. ALASKA MARINE HIGHWAY AUTHORITY.

17 ARTICLE 1. CREATION AND ORGANIZATION.

18 Sec. 19.70.010. ALASKA MARINE HIGHWAY AUTHORITY. The Alaska
19 Marine Highway Authority is established. The authority is a public
20 corporation of the state. The corporation is an instrumentality of the
21 state in the Department of Transportation and Public Facilities but has
22 a legal existence independent of and separate from the state and has
23 continuing succession until its existence is terminated by law. The
24 authority's existence may not be terminated as long as it has bonds,
25 notes or other obligations outstanding.

26 Sec. 19.70.020. DIRECTORS. (a) The authority consists of eight
27 directors including the commissioner of transportation and public facili-
28 ties, who shall be a director ex officio without voting privileges, and
29 seven directors appointed by the governor as follows: an attorney, an

1 economist, a representative of commercial carriers, a representative of
2 the maritime industry, a representative of the tourism industry, and two
3 members of the public. The appointment of each director other than the
4 commissioner of transportation and public facilities is subject to
5 confirmation by the legislature.

6 (b) The directors appointed by the governor serve at his pleasure
7 for four-year terms. Each director shall hold office for the term of
8 his appointment and until his successor is appointed and qualified. A
9 director is qualified for reappointment. A vacancy in a directorship
10 occurring other than by expiration of term shall be filled in the same
11 manner as the original appointment but only for the unexpired term.

12 (c) The directors must be residents of the state and qualified
13 voters at the time of appointment and shall comply with the requirements
14 of AS 39.50 (conflict of interest). Each director before entering upon
15 his duties shall take and subscribe to an oath to perform the duties of
16 his office faithfully, impartially, and justly to the best of his abili-
17 ty. A record of the oath shall be filed with the Office of the Governor.

18 (d) The directors of the authority serve without compensation, but
19 are entitled to travel and per diem expenses as provided in AS 39.20.180.

20 Sec. 19.70.030. OFFICERS AND QUORUM. The directors shall elect
21 one of their number as chairman. The directors shall elect a secretary
22 and a treasurer who need not be directors, and the same person may be
23 elected to serve both as secretary and treasurer. The powers of the
24 authority are vested in the directors, and four voting directors of the
25 authority constitute a quorum. Action may be taken and motions and
26 resolutions adopted by the authority at any meeting by the affirmative
27 vote of at least four directors. A vacancy in the directorship of the
28 authority does not impair the right of a quorum to exercise all the
29 powers and perform all the duties of the authority.

1 Sec. 19.70.040. STAFF. The authority shall employ an executive
2 director who serves at the pleasure of the authority as its chief admin-
3 istrative officer. The executive director may with the approval of the
4 authority select and employ additional staff as necessary. Employees of
5 the authority other than legal counsel and the executive director are in
6 the classified service under AS 39.25. In addition to its staff of
7 regular employees, the authority may contract for and engage the ser-
8 vices of the bond counsel, consultants, and professional, technical and
9 financial advisors the authority considers necessary for the purpose of
10 developing information, conducting hearings, studies, investigations or
11 other proceedings, or otherwise exercising its powers.

12 ARTICLE 2. POWERS AND DUTIES.

13 Sec. 19.70.050. POWERS OF AUTHORITY. In addition to other powers
14 granted in this chapter, the authority may

- 15 (1) sue and be sued;
- 16 (2) adopt and alter an official seal;
- 17 (3) make and enforce bylaws and regulations for the conduct
18 of its business and for the use of its services and facilities;
- 19 (4) maintain offices at any place in the state and at places
20 out of the state which are served by the marine highway system;
- 21 (5) acquire, hold, use and dispose of its income, revenues,
22 funds and money;
- 23 (6) acquire, hold, use, lease, rent, construct and dispose of
24 real and personal property for its purposes;
- 25 (7) exercise the power of eminent domain according to the
26 provisions of this chapter and the procedures set out in AS 09.55.240 -
27 09.55.460;
- 28 (8) borrow money as provided in this chapter and issue its
29 obligations as evidence of that borrowing;

1 (9) operate, maintain, improve, and extend a system of
2 ferries connecting with the public roads and highways of the state and
3 including the boats, vessels, wharves, docks, approaches, landings and
4 appurtenances the authority determines to be necessary or desirable for
5 safe and efficient operation of the ferry system so as to best serve the
6 public;

7 (10) do all acts and things necessary, convenient or desirable
8 to carry out the powers expressly granted or necessarily implied in this
9 chapter.

10 Sec. 19.70.060. "ALASKA MARINE HIGHWAY SYSTEM": NAME AUTHORIZED.
11 The authority is authorized to operate its ferry system under the name
12 "Alaska marine highway system".

13 Sec. 19.70.070. COMPREHENSIVE LONG-RANGE PLAN. The authority,
14 with the cooperation of the Department of Transportation and Public
15 Facilities, shall prepare a comprehensive long-range plan for the devel-
16 opment and improvement of the marine highway system. The plan shall be
17 revised and updated at least every five years.

18 ARTICLE 3. FINANCIAL PROVISIONS.

19 Sec. 19.70.080. REVENUE BONDS AUTHORIZED. (a) For the purpose of
20 paying the cost of part or all of any capital improvement to the marine
21 highway system, the authority may borrow money and may issue bonds,
22 including but not limited to bonds on which the principal and interest
23 are payable (1) exclusively from the income and receipts or other money
24 derived from the capital improvement financed with the proceeds from the
25 bonds; (2) exclusively from the income and receipts or other money
26 derived from designated capital improvements whether or not they are
27 financed in whole or in part with the proceeds of the bonds; (3) from
28 its income and receipts or other assets generally, or a designated part
29 or parts of them; or (4) from one or more revenue-producing contracts

1 including a contract providing for the security of the bonds made by the
2 authority with any person. The authority may issue bonds to pay, fund
3 or refund the principal of, or interest or redemption premiums on, bonds
4 issued by it, whether or not the bonds or interest to be funded or
5 refunded have become due.

6 (b) Bonds shall be authorized by resolution of the authority, and
7 shall be dated and shall mature as the resolution may provide, except
8 that no bond may mature more than 50 years from the date of its issue.
9 Bonds shall bear interest at the rates, be in the denominations, be in
10 the form, either coupon or registered, carry the registration privi-
11 leges, be executed in the manner, be payable in the medium of payment,
12 at the places, and be subject to the terms of redemption which the
13 resolution or a subsequent resolution may provide.

14 (c) All bonds, regardless of form or character, shall be nego-
15 tiable instruments for all the purposes of the Uniform Commercial Code.

16 (d) All bonds may be sold at public or private sale in the manner,
17 for the price or prices, and at the time or times the authority may
18 determine.

19 Sec. 19.70.090. TRUST INDENTURES AND TRUST AGREEMENTS. (a) In
20 the discretion of the authority, an issue of bonds may be secured by a
21 trust indenture or trust agreement between the authority and a corporate
22 trustee (which may be a trust company, bank, or national banking asso-
23 ciation, with corporate trust powers, located inside or outside the
24 state) or by a secured loan agreement or other instrument or under a
25 resolution giving powers to a corporate trustee by means of which the
26 authority may

27 (1) make and enter into any and all the covenants and agree-
28 ments with the trustee or the holders of the bonds that the authority
29 may determine to be necessary or desirable, including, without limita-

1 tion, covenants, provisions, limitations, and agreements as to the

2 (A) application, investment, deposit, use, and disposi-
3 tion of the proceeds of bonds of the authority or of money or other
4 property of the authority in which it has an interest;

5 (B) fixing and collection of rentals, charges, fees, or
6 other consideration for, and the other terms to be incorporated in,
7 contracts for a capital improvement;

8 (C) assignment by the authority of its rights in con-
9 tracts for a capital improvement or in a mortgage or other security
10 interest created for a capital improvement to a trustee for the
11 benefit of the bondholders;

12 (D) terms and conditions upon which additional bonds of
13 the authority may be issued;

14 (E) vesting in a trustee of rights, powers, duties,
15 funds, or property in trust for the benefit of bondholders, includ-
16 ing, without limitation, the right to enforce payment, performance,
17 and all other rights of the authority or of the bondholders, under
18 a lease, power of contract, contract of sale, mortgage, security
19 agreement, or trust agreement for a capital improvement by mandamus
20 or other proceeding or by taking possession of by agent or other-
21 wise and operating a capital improvement and collecting rents or
22 other consideration and applying these in accordance with the trust
23 agreement;

24 (2) pledge, mortgage or assign money, leases, agreements,
25 property or other rights or assets of the authority either presently in
26 hand or to be received in the future, or both; and

27 (3) provide for any other matters of like or different char-
28 acter that in any way affect the security or protection of the bonds.

29 (b) Notwithstanding any other provisions of this chapter, the

1 trust agreement shall contain a covenant by the authority that it will
2 at all times maintain rates, fees, tariffs, or charges sufficient to
3 pay, and that a contract entered into by the authority for the carriage
4 of passengers or self-propelled vehicles, or both, shall contain rates,
5 fees, tariffs, or charges sufficient to pay, the costs of operation and
6 maintenance of the capital improvement, the principal of and interest on
7 bonds issued under the trust agreement as they severally become due and
8 payable, to provide for debt service coverage as considered necessary by
9 the authority for the marketing of its bonds and to provide for renew-
10 als, replacements and improvements to the capital improvement, and to
11 maintain reserves required by the terms of the trust agreement.

12 (c) For the purpose of securing any one or more issues of its
13 bonds, the authority may establish one or more special funds, called
14 "capital reserve funds", and shall pay into those capital reserve funds
15 the proceeds of the sale of its bonds and any other money that may be
16 made available to the authority for the purpose of those funds from any
17 other source. The funds shall be established only if the authority
18 determines that the establishment would enhance the marketability of the
19 bonds. All money held in a capital reserve fund, except as provided in
20 this section, shall be used as required, solely for (1) the payment of
21 the principal of and interest on bonds or of the sinking fund payments
22 with respect to those bonds, (2) the purchase or redemption of bonds, or
23 (3) the payment of a redemption premium required to be paid when those
24 bonds are redeemed before maturity. However, money in a fund may not be
25 withdrawn from it at any time in an amount that would reduce the amount
26 of the fund to less than the capital reserve requirement set out in (d)
27 of this section, except for the purpose of making, with respect to those
28 bonds, payment, when due, of principal, interest, redemption premiums
29 and the sinking fund payments for the payment of which other money of

1 the authority is not available. Income or interest earned by, or incre-
2 ment to, a capital reserve fund, due to the investment of the fund or
3 any other amounts in it, may be transferred by the authority to other
4 funds or accounts of the authority to the extent that the transfer does
5 not reduce the amount of the capital reserve fund below the capital
6 reserve fund requirement.

7 (d) If the authority decides to issue bonds secured by a capital
8 reserve fund, the bonds may not be issued if the amount in the capital
9 reserve fund is less than such a percent, not exceeding 10 percent, of
10 the principal amount of all of those bonds secured by that capital
11 reserve fund then to be issued and then outstanding in accordance with
12 their terms, as may be established by resolution of the authority
13 (called the "capital reserve fund requirement"), unless the authority,
14 at the time of issuance of the obligations, deposits in the capital
15 reserve fund from the proceeds of the obligations to be issued or from
16 other sources, an amount which, together with the amount then in the
17 fund, will not be less than the capital reserve fund requirement.

18 (e) In computing the amount of a capital reserve fund for the
19 purpose of this section, securities in which all or a portion of the
20 funds are invested shall be valued by some reasonable method established
21 by the authority by resolution. Valuation on a particular date shall
22 include the amount of any interest earned or accrued to that date.

23 (f) The chairman of the authority shall annually, no later than
24 January 2, make and deliver to the governor and the legislature his
25 certificate stating the sum, if any, required to restore any capital
26 reserve fund to the capital reserve fund requirement. The legislature
27 may appropriate that sum, and all sums appropriated during the then
28 current fiscal year by the legislature for the restoration shall be
29 deposited by the authority in the proper capital reserve fund. Nothing

1 in this section creates a debt or liability of the state.

2 (g) When the authority has created and established a capital
3 reserve fund, the commissioner of revenue may lend surplus money in the
4 general fund to the authority for deposit in a capital reserve fund in
5 an amount equal to the capital reserve fund requirement. The loans
6 shall be made on the terms and conditions that may be agreed upon by the
7 commissioner of revenue and the authority, including, without limita-
8 tion, terms and conditions providing that the loans need not be repaid
9 until the obligations of the authority secured and to be secured by the
10 capital reserve fund are no longer outstanding.

11 Sec. 19.70.100. VALIDITY OF PLEDGE. It is the intention of the
12 legislature that a pledge made in respect of bonds shall be valid and
13 binding from the time the pledge is made; that the money or property so
14 pledged and thereafter received by the authority shall immediately be
15 subject to the lien of the pledge without physical delivery or further
16 act; and that the lien of the pledge shall be valid and binding as
17 against all parties having claims of any kind in tort, contract, or
18 otherwise against the authority irrespective of whether the parties have
19 notice. The resolution, trust agreement, or any other instrument by
20 which a pledge is created need not be recorded or filed under the provi-
21 sions of the Uniform Commercial Code to be valid, binding, or effective
22 against the parties.

23 Sec. 19.70.110. NONLIABILITY ON BONDS. (a) A director of the
24 authority or a person executing the bonds on behalf of the authority is
25 not liable personally on the bonds and is not subject to personal lia-
26 bility or accountability by reason of the issuance of the bonds.

27 (b) The bonds issued by the authority do not constitute an in-
28 debtedness or other liability of the state or of a political subdivision
29 of the state, except the authority, but shall be payable solely from the

1 income, receipts, or other funds or property of the authority. The
2 authority may not pledge the faith or credit of the state or of a poli-
3 tical subdivision of the state, except the authority, to the payment of
4 a bond, and the issuance of a bond by the authority does not directly,
5 indirectly, or contingently obligate the state or a political subdivi-
6 sion of the state to apply money from, or levy or pledge any form of
7 taxation whatever to the payment of the bond.

8 Sec. 19.70.120. PLEDGE OF THE STATE. The state pledges to and
9 agrees with the holders of the bonds issued under this chapter and with
10 any federal agency that loans or contributes funds for a capital im-
11 provement, that the state will not limit or alter the rights and powers
12 vested in the authority by this chapter to fulfill the terms of a con-
13 tract made by the authority with the holders or federal agency, or in
14 any way impair the rights and remedies of the holders until the bonds,
15 together with the interest on them with interest on unpaid installments
16 of interest, and all costs and expenses in connection with an action or
17 proceeding by or on behalf of the holders, are fully met and discharged.
18 The authority is authorized to include this pledge and agreement of the
19 state, insofar as it refers to holders of bonds of the authority, in a
20 contract with the holders, and insofar as it relates to a federal agency,
21 in a contract with the federal agency.

22 Sec. 19.70.130. TAX EXEMPTION. Property of the authority is
23 public property devoted to an essential public and governmental function
24 and purpose and is exempt from all taxes of the state or a political
25 subdivision of the state. Bonds issued under this chapter are issued by
26 a body corporate and public of this state and for an essential public
27 and governmental purpose and the bonds and the interest and income on
28 and from the bonds and all income of the authority are exempt from
29 taxation except for transfer, inheritance, and estate taxes.

1 Sec. 19.70.140. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The
2 bonds of the authority are securities in which all public officers and
3 bodies of the state and all municipalities and municipal subdivisions,
4 all insurance companies and associations and other persons carrying on
5 any insurance business, all banks, bankers, trust companies, savings
6 banks, savings associations, including savings and loan associations and
7 building and loan associations, investment companies and other persons
8 carrying on a banking business, all administrators, guardians, execu-
9 tors, trustees and other fiduciaries, and all other persons whatsoever
10 who are now or may hereafter be authorized to invest in bonds or other
11 obligations of the state, may properly and legally invest funds includ-
12 ing capital in their control or belonging to them. Notwithstanding
13 other provisions of law, the bonds of the authority are also securities
14 that may be deposited with and may be received by all public officers
15 and bodies of the state and all municipalities and municipal subdivi-
16 sions for any purpose for which the deposit of bonds or other obliga-
17 tions of the state is now or may hereafter be authorized.

18 ARTICLE 4. ACQUISITION OF PROPERTY.

19 Sec. 19.70.150. ACQUISITION OF LAND, RIGHTS-OF-WAY, AND MATERIALS
20 BY PURCHASE OR EMINENT DOMAIN. The authority, as part of the cost of
21 constructing, maintaining, or improving a ferry system, may purchase,
22 acquire, take over, or condemn under the right and power of eminent
23 domain land in fee simple or easements that it considers necessary for
24 present public use, either temporary or permanent, or that it considers
25 necessary and reasonable for the public use. By the same means, the
26 authority may obtain material, including clay, gravel, sand, or rock, or
27 the land necessary to obtain the material, including access to it. The
28 authority may so acquire the land or materials notwithstanding the fact
29 that title to it is vested in the state or a department, agency, com-

1 mission or institution of the state.

2 Sec. 19.70.160. DECLARATION OF TAKING. A declaration of taking,
3 in the form of an order signed by a majority of the directors of the
4 authority, declaring that the real property, or an interest in it, or
5 any easement is necessary for the public use of the authority, is suf-
6 ficient to vest title in the authority. However, a declaration of
7 taking is not effective until eminent domain proceedings have been in-
8 stituted in the proper court, and a copy of the declaration of taking is
9 filed in the office of the recorder located in the recording district
10 where the land is located. The authority may pay or have paid, from the
11 appropriate fund, into court the amount it considers represents a rea-
12 sonable valuation for the land, easement or materials taken.

13 Sec. 19.70.170. AUTHORITY TO CONDEMN OR ACQUIRE PUBLICLY OWNED
14 PROPERTY FOR THE PURPOSE OF EXCHANGE. When property that is devoted to
15 or held for another public use for which the power of eminent domain may
16 be exercised is taken for purposes set out in this chapter, the author-
17 ity may, with the consent of the person or agency in charge of the other
18 public use, condemn other real property to be exchanged for the real
19 property so taken. This section does not limit the authorization of the
20 authority to acquire, other than by condemnation, property for those
21 purposes in any other manner.

22 Sec. 19.70.180. AUTHORITY TO PURCHASE PROPERTY FOR THE PURPOSE OF
23 EXCHANGE. When a majority of the directors of the authority declares
24 that it is in the best public interest of the state to do so, the auth-
25 ority may acquire by purchase or otherwise privately or publicly owned
26 land or an interest in it for the purpose of exchanging it for privately
27 or publicly owned land that the authority is authorized by law to ac-
28 quire.

29 Sec. 19.70.190. VACATING OF LAND OR RIGHTS IN LAND. The authority

1 may vacate land, or part of it, or rights in land acquired for use in
2 the marine highway system by executing and filing a deed in the approp-
3 riate recording district. Upon vacating, title reverts to the persons,
4 heirs, successors, or assigns in whom it was vested at the time of the
5 taking. The authority may transfer land no longer considered necessary
6 for use in the marine highway system to the Department of Natural Re-
7 sources for disposal. The proceeds of disposal by the Department of
8 Natural Resources shall be credited to the funds from which the purchase
9 was originally made.

10 ARTICLE 5. GENERAL PROVISIONS.

11 Sec. 19.70.200. ANNUAL REPORT. By March 1 of each year, the
12 authority shall submit to the governor and the legislature a compre-
13 hensive report describing the operations, income, and expenditures for
14 the preceding calendar year.

15 Sec. 19.70.210. ANNUAL AUDIT. The authority shall have its finan-
16 cial records audited annually by a certified public accountant. The
17 legislative auditor may prescribe the form and content of the financial
18 records of the authority and shall have access to those records at any
19 time.

20 Sec. 19.70.220. BUDGET AND APPROPRIATIONS. The authority shall
21 submit its annual budget to the legislature through the governor as
22 provided for state agencies by the Executive Budget Act (AS 37.07). It
23 may expend money directly appropriated by the legislature only as autho-
24 rized by the legislature.

25 Sec. 19.70.230. PUBLIC RECORDS; OPEN MEETINGS. The provisions of
26 AS 09.25.110 - 09.25.125 (public records) and AS 44.62.310 - 44.62.312
27 (open meetings) apply to the authority. The authority shall publish a
28 proposed agenda of each meeting and shall afford the public an oppor-
29 tunity to be heard in accordance with AS 44.62.312.

1 Sec. 19.70.240. NAMING OF VESSEL OR FACILITY. (a) A vessel or
2 facility of the Alaska marine highway system constructed or acquired by
3 the authority under this chapter or AS 19.60 may be given a name only by
4 law.

5 (b) A maritime vessel shall bear the name of an Alaska glacier.

6 (c) A vessel used principally on the inland waterways of the state
7 shall bear the name of an historical vessel that used the rivers of the
8 state.

9 Sec. 19.70.250. DEFINITIONS. In this chapter, unless the context
10 requires otherwise,

11 (1) "authority" means the Alaska Marine Highway Authority
12 established by this chapter;

13 (2) "bonds" means bonds, notes, or other obligations of the
14 authority issued under this chapter;

15 (3) "capital improvement" means a project for the construc-
16 tion, rehabilitation, rebuilding, enlarging, or improving of all or any
17 part of the marine highway system, including, without limitation, boats,
18 vessels, wharves, docks, approaches, landings, offices, and appurte-
19 nances as determined by the authority to be necessary or desirable for
20 efficient operation of the marine highway system and to best serve the
21 public;

22 (4) "ferry" means a vessel used in the common carriage of
23 passengers and self-propelled vehicles in intrastate commerce.

24 Sec. 19.70.260. SHORT TITLE. This chapter may be cited as the
25 Alaska Marine Highway Authority Act.

26 * Sec. 3. AS 19.60.010 is amended to read:

27 Sec. 19.60.010. ACQUISITION AND MAINTENANCE OF FERRY TERMINAL
28 FACILITIES. The authority [DEPARTMENT] shall construct, purchase or
29 lease ferry terminal facilities at locations it selects for the loading

1 and unloading of passengers and vehicles under their own power, on and
2 off ferries. The authority [DEPARTMENT] shall repair and maintain these
3 facilities.

4 * Sec. 4. AS 19.60.020 is amended to read:

5 Sec. 19.60.020. CONNECTION OF FACILITIES TO HIGHWAYS. The depart-
6 ment shall [MAY] connect ferry terminal facilities with local highway
7 systems.

8 * Sec. 5. AS 19.60.030 is amended to read:

9 Sec. 19.60.030. REGULATIONS. The authority [DEPARTMENT] may adopt
10 [RULES AND] regulations governing the use of ferry terminal facilities
11 by the public which it considers necessary and proper in the public
12 interest.

13 * Sec. 6. AS 19.60.040 is amended to read:

14 Sec. 19.60.040. PRIVATE ENTERPRISE NOT AFFECTED. Any person may
15 construct a ferry terminal facility upon obtaining the approval of the
16 authority [DEPARTMENT] as to its location. A ferry terminal facility
17 constructed by a person other than the authority [DEPARTMENT] is subject
18 to reasonable [RULES AND] regulations governing its use which the auth-
19 ority [DEPARTMENT] considers necessary and proper in the public interest.

20 * Sec. 7. AS 19.60.050 is amended to read:

21 Sec. 19.60.050. APPROVAL OF AUTHORITY [DEPARTMENT] REQUIRED FOR
22 CONSTRUCTION. A ferry terminal facility may [SHALL] not be constructed
23 without the approval of the authority [DEPARTMENT].

24 * Sec. 8. AS 19.60.070(1) is amended to read:

25 (1) "authority" ["DEPARTMENT"] means the Alaska Marine High-
26 way Authority [DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES];

27 * Sec. 9. AS 35.27.020 is amended by adding a new subsection to read:

28 (h) The requirements of this chapter apply to the Alaska Marine
29 Highway Authority. Fulfillment of the duties of the department under

1 this chapter is the sole responsibility of the authority with respect to
2 the public buildings and facilities of the authority.

3 * Sec. 10. AS 35.27.030(2) is amended to read:

4 (2) "building" or "facility" means a permanent improvement
5 constructed by the department or authority; the term

6 (A) includes, but is not limited to,

7 (i) schools, office buildings, and court buildings;

8 (ii) other buildings which the commissioner deter-
9 mines are designed for substantial public use;

10 (iii) boats and vessels of the marine highway system;

11 (iv) transportation facilities which accommodate
12 traveling passengers;

13 (B) excludes other transportation facilities; [.]

14 * Sec. 11. AS 35.27.030 is amended by adding a new paragraph to read:

15 (5) "authority" means the Alaska Marine Highway Authority.

16 * Sec. 12. AS 44.42.020(a)(1) is amended to read:

17 (1) plan, design, construct and maintain all state modes of
18 transportation and transportation facilities and all docks, floats,
19 breakwaters, buildings and similar facilities, except that the depart-
20 ment has no planning, design, construction, or maintenance responsibili-
21 ties for transportation modes or facilities under the jurisdiction of
22 the Alaska Marine Highway Authority;

23 * Sec. 13. AS 44.42.020(a)(7) is amended to read:

24 (7) manage, operate, and maintain state transportation faci-
25 lities and all docks, floats, breakwaters and buildings, including all
26 state highways, vessels, railroads, pipelines, airports, and aviation
27 facilities, except that the department has no management, operational,
28 or maintenance responsibilities for transportation facilities, vessels,
29 or equipment under the jurisdiction of the Alaska Marine Highway Author-

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

ity;

* Sec. 14. AS 19.65 is repealed.

* Sec. 15. APPOINTMENT OF FIRST DIRECTORS OF ALASKA MARINE HIGHWAY
AUTHORITY. The governor shall designate the terms of the voting directors of
the Alaska Marine Highway Authority first appointed under AS 19.70.020. Of
the seven directors first appointed

- (1) one shall serve a term of one year;
- (2) two shall serve a term of two years;
- (3) two shall serve a term of three years;
- (4) two shall serve a term of four years.